

Town of Brookhaven

Industrial Development Agency

Governance Committee

Meeting Agenda

Wednesday, August 21, 2024 at 9:00 AM

1. Roll Call

2. Minutes

July 17, 2024

3. Mortgage Recording Tax

4. Uniform Tax Exemption Policy

5. Spec Warehouses

Town of Brookhaven
Industrial Development Agency

Governance Committee

Meeting Minutes

July 17, 2024

Members Present: Frederick C. Braun, III
Felix J. Grucci, Jr. (via Zoom)
Mitchell H. Pally
John Rose
Ann-Marie Scheidt
Frank C. Trotta

Excused Member: Martin Callahan

Also Present: Lisa M. G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
Amy Illardo, Director of Marketing
Jocelyn Linse, Executive Assistant
Micah Avery, Intern
Annette Eaderesto, IDA Counsel
Barry Carrigan, Nixon Peabody, LLP
Howard Gross, Weinberg, Gross & Pergament (via Zoom)
Andrew Komoromi, Harris Beach, PLLC
John Gordon, Forchelli Deegan Terrana
Dan Deegan, Forchelli Deegan Terrana
Peter Florey, D & F Development

Chairman Braun opened the IDA Governance Committee meeting at 9:09 A.M. on Wednesday, July 17, 2024, in the Agency's Office on the Second Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

Meeting Minutes of June 12, 2024

The motion to approve these Minutes as presented was made by Ms. Scheidt, seconded by Mr. Trotta and unanimously approved.

Mortgage Recording Tax Exemption

There was discussion of offering a partial exemption of the mortgage recording tax to 100% affordable housing projects or a housing project that needs to construct a sewage treatment plant, core manufacturers, adaptive re-use projects and any project with \$10 million or less of project costs. Ms. Mulligan will reach out to Stony Brook University for assistance in identifying core manufacturing projects.

This matter will be revisited.

Ms. Eaderesto joined the meeting at 9:14 A.M.

Uniform Tax Exemption Policy (UTEP)

There is potential new legislation that would require the Agency to amend the UTEP so that the Agency learns if an applicant will have on-site childcare. This legislation has not yet been approved. Changes are being considered to the required affordable and workforce housing units; affordable units may shift to 65% of the area median income (AMI) and workforce units may be changed to 80% of the AMI. As it stands now, senior housing projects are eligible for a 10-to-15-year PILOT and market rate housing is eligible for a 7-year PILOT; this may be amended.

Spec Warehouses

There was discussion on possible requirements to ensure these warehouses will be occupied and not vacant. Projects that are 100,000 square feet or more may need a certain percentage of the facility leased prior to closing and more space would need to be leased in set increments after closing until fully leased. This matter will be revisited. There is a moratorium on spec warehouse projects until the end of the year.

The motion to close the Governance Committee meeting at 9:46 A.M. was made by Mr. Trotta and seconded by Ms. Scheidt. All voted in favor.

Governance Committee

- 1) Mortgage Recording Tax Exemption (Do not include in UTEP)
 - a. We will give MRT to the following projects:
 - i. 100% affordable housing or any housing that is building a STP.
 - ii. Core Manufacturing (NAICS codes 31-33 are eligible)
 - iii. Adaptive Reuse projects
 - iv. Any project with total project costs of \$10 million or less.
- 2) Spec Warehouses
 - a. Suggest extending the prohibition on Speculative Industrial projects (over 75,000 square feet) until the current vacant space is absorbed.
- 3) UTEP Updates
 - a. Housing
 - i. Change affordable to a minimum of 10 percent of the units will be rented to tenants whose annual income is at or below 65 percent of the Area Median Income (AMI).
 - ii. Change workforce to a minimum of 10 percent of the units will be rented to tenants whose annual income is at or below 80 percent of the AMI.
 - iii. Change senior housing so that it has the same PILOT parameters and requirements as Market Rate Housing.